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RECORDATION NO. 26057 FILED

DEC 23 '05 10-56 AM

SURFACE TRANSPORTATION BOARD

LOUIS E. GITOMER
OF COUNSEL
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December 23, 2005

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Washington, DC 20423

Dear Secretary Williams:

I have enclosed the original and one certified copy of the document described below, to be recorded pursuant to 49 U.S.C. § 11301.

The document is a Memorandum of Lease Agreement, a primary document, dated as of December 23, 2005. We request that this document be given the next available Recordation Number.

The names and addresses of the parties to the Memorandum of Lease Agreement are:

Lessor:

National City Commercial Capital Corporation
2720 Sugarloaf Club Drive
Duluth, GA 30097

Lessee:

Dakota, Minnesota & Eastern Railroad Corporation
140 North Phillips Avenue
Sioux Falls, SD 57104

A description of the equipment covered by the Memorandum of Lease Agreement consists of 25 5,150 cubic foot covered hopper cars numbered DME 51496, 51515, 51533, 51535, 51589, 51590, 51593, 51598, 51603-51605, inclusive, 51607, and 51687-51699, inclusive.

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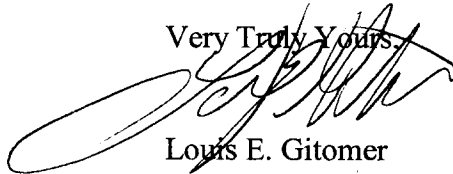
Honorable Vernon A. Williams
December 23, 2005
Page 2

A fee of \$ 33.00 is enclosed. Please return the original to:

Louis E. Gitomer
Of Counsel
Ball Janik LLP
Suite 225
1455 F Street, N.W.
Washington, DC 20005

A short summary of the document to appear in the index follows: a Memorandum of Lease Agreement between National City Commercial Capital Corporation, 2720 Sugarloaf Club Drive, Duluth, GA 30097, and Dakota, Minnesota & Eastern Railroad Corporation, 140 North Phillips Avenue, Sioux Falls, SD 57104, covering 25 5,150 cubic foot covered hopper cars numbered DME 51496, 51515, 51533, 51535, 51589, 51590, 51593, 51598, 51603-51605, inclusive, 51607, and 51687-51699, inclusive.

Very Truly Yours,

A handwritten signature in black ink, appearing to be 'L. Gitomer', written over the typed name.

Louis E. Gitomer

Enclosures

RECORDATION NO. 26057 FILED

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SURFACE TRANSPORTATION BOARD

MEMORANDUM OF LEASE AGREEMENT

dated as of December 23, 2005

between

**DAKOTA, MINNESOTA & EASTERN RAILROAD CORPORATION,
as Lessee,**

and

**NATIONAL CITY COMMERCIAL CAPITAL CORPORATION,
as Lessor**

MEMORANDUM OF LEASE AGREEMENT

THIS MEMORANDUM OF LEASE AGREEMENT is made and entered into as of December 23, 2005, by and between NATIONAL CITY COMMERCIAL CAPITAL CORPORATION ("Lessor") and DAKOTA, MINNESOTA & EASTERN RAILROAD CORPORATION ("Lessee"), with reference to the following:

1. Lessor has agreed to purchase and lease to Lessee, and Lessee has agreed to lease from Lessor, those certain railcars described on Exhibit No. 1 attached hereto.

All of such railcars are more fully described in that certain Railcar Lease Agreement dated as of December 22, 2004, as amended, and Schedule No. 6 thereto and incorporating the terms thereof, dated as of December 23, 2005 (together with all of the riders, schedules and other attachments thereto, collectively, the "Lease"), each between Lessor and Lessee.

2. The Lease shall be effective as of the date hereof and shall be subject to the term specified in the Lease, and any extension of such term to the extent provided for in the Lease.

This Memorandum of Lease Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but all together only one Memorandum of Lease Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed or caused this Memorandum of Lease Agreement to be executed as of the date first above written.

DAKOTA, MINNESOTA & EASTERN RAILROAD CORPORATION

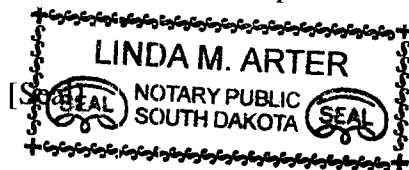
By: Kurt V. Feaster, Sr. V.P.,
Name: Chief Financial Officer & Secretary
Title: _____

NATIONAL CITY COMMERCIAL CAPITAL CORPORATION

By: _____
Name: _____
Title: _____

STATE OF SOUTH DAKOTA)
COUNTY OF Minnehaha) ss.

On this 19th day of December, 2005, before me appeared Kurt V. Feaster, the person who signed this instrument, who acknowledged that (s)he is the CFO & Secretary of Dakota, Minnesota & Eastern Railroad Corporation and that, being duly authorized, (s)he signed such instrument as a free act on behalf of said corporation.



Linda M. Arter
Notary Public

My commission expires:

January, 2009

IN WITNESS WHEREOF, the parties hereto have executed or caused this Memorandum of Lease Agreement to be executed as of the date first above written.

DAKOTA, MINNESOTA & EASTERN RAILROAD
CORPORATION

By: _____
Name: _____
Title: _____

NATIONAL CITY COMMERCIAL CAPITAL
CORPORATION

By: William Daddio
Name: WILLIAM DADDIO
Title: SVP

STATE OF SOUTH DAKOTA)
) ss.
COUNTY OF _____)

On this _____ day of December, 2005, before me appeared _____, the person who signed this instrument, who acknowledged that (s)he is the _____ of Dakota, Minnesota & Eastern Railroad Corporation and that, being duly authorized, (s)he signed such instrument as a free act on behalf of said corporation.

[Seal]

Notary Public

My commission expires:

_____, _____

STATE OF Georgia)
COUNTY OF Guinevere) ss.

On this 21 day of December, 2005, before me appeared William Badgio, the person who signed this instrument, who acknowledged that (s)he is the SVP of National City Commercial Capital Corporation and that, being duly authorized, (s)he signed such instrument as a free act on behalf of said corporation.

[Seal]

George E. Minar
Notary Public

My commission expires:

3-1-09, _____

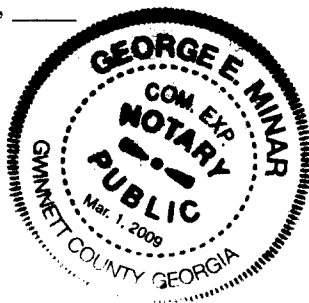


EXHIBIT NO. 1
TO MEMORANDUM OF LEASE AGREEMENT

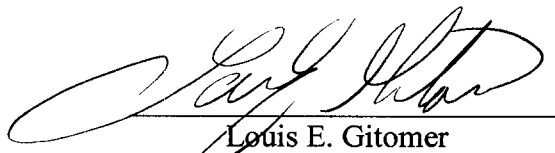
DESCRIPTION OF RAILCARS AND REPORTING MARKS

Twenty-five (25) 5,150 cubic foot through sill grain hopper cars with 110 ton trucks, manufactured by National Steel Car Limited in 2005 and bearing marks and numbers in series:

DME 51687 - 51699 (inclusive)
DME 51607
DME 51603 - 51605 (inclusive)
DME 51598
DME 51593
DME 51589 - 51590 (inclusive)
DME 51535
DME 51533
DME 51515
DME 51496

CERTIFICATION

I, Louis E. Gitomer, have compared this copy to the original Memorandum of Lease Agreement, dated as of December 23, 2005, and found the copy to be complete and identical in all respects to the original document. I declare under penalty of perjury that the foregoing is true and correct.



Louis E. Gitomer
December 23, 2005